1		- 1480-
1	Michael Lee Hertzberg	110
2	740 Broadway @ Astor, 5th Floor New York, NY 10003-9518	
3	(212) 674-4614	· ·
4	Andrew H. Wilson, SBN #063209 WILSON, RYAN & CAMPILONGO	
5	115 Sansome St., 4th Floor San Francisco, California 94104	
6	(415) 391-3900 Telefax: (415) 954-0938	RECEIVED
7		HEOLIVED
8	Laurie J. Bartilson, SBN #139220 BOWLES & MOXON	DEC 0 8 1994
	6255 Sunset Boulevard, Suite 2000 Hollywood, CA 90028	<b>HUB LAW OFFICES</b>
9	(213) 463-4395 Telefax: (213) 953-3351	
10	Attorneys for Plaintiff CHURCH OF	SCIENTOLOGY
11	INTERNATIONAL	
12	SUPERIOR COURT OF THE	STATE OF CALIFORNIA
13	FOR THE COUNT	Y OF MARIN
14	CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-	) CASE NO. 157 680
15	for-profit religious corporation;	) [AND LASC NO. BC 052395]
16	Plaintiffs,	) CONSOLIDATED
17	vs.	) DECLARATION OF LAURIE J.
18	GERALD ARMSTRONG; MICHAEL WALTON;	) BARTILSON IN SUPPORT OF ) CHURCH OF SCIENTOLOGY
19	et al., Defendants.	) INTERNATIONAL'S OPPOSITION ) TO ARMSTRONG'S EX PARTE
20		) APPLICATION TO CONTINUE ) HEARING ON PLAINTIFF'S
21	CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-	) MOTION FOR SUMMARY ) ADJUDICATION
22	for-profit religious corporation;	) )
23	Plaintiffs,	)
24	Vs.	) ) DATE: December 8, 1994
	GERALD ARMSTRONG; THE GERALD	) TIME: 9:30 a.m.
25	ARMSTRONG CORPORATION, a California corporation; Does 1 -	) DEPT: 1 )
26	25 INCLUSIVE	) ) TRIAL DATE: May 18, 1994
27	Defendants.	)
28		

I, LAURIE J. BARTILSON, hereby depose and state:

- 1. I am an attorney, licensed to practice law in the State of California. I am a partner in the law firm of Bowles & Moxon and am counsel of record for plaintiff and cross-defendant Church of Scientology International ("CSI") in this consolidated action. I have personal knowledge of the matters set forth herein and, if called upon to do so, could and would competently testify thereto.
- 2. On November 30, 1994, I received a letter from Ford Greene asking for a continuance of the hearing on plaintiff's pending Motion for Summary Adjudication for an unspecified duration. A true and correct copy of that letter is attached hereto as Exhibit A. I responded immediately, offering to stipulate to a brief continuance. A true and correct copy of my letter is attached as Exhibit B. On December 5, 1994, Mr. Greene responded that he intended to seek to have the hearing continued until February 24. A true and correct copy of this letter is attached hereto Exhibit C.
- 3. On March 16, 1993, Armstrong requested and obtained a stay in proceedings in the breach case, so that he could test Judge Sohigian's injunction upholding the validity of the settlement agreement at issue in this case ("the Agreement") before the First District Court of Appeal. At the time that Armstrong requested the stay, plaintiff had filed and served its Motion for Summary Adjudication etc., and Armstrong's opposition to that motion was due the next day.
- 4. The summary adjudication that was pending before the court in March 1993, when the stay was issued, differed very

little from the motion which is presently before this Court for adjudication on December 23, 1994. The primary difference in the two papers is that the first motion sought summary adjudication of 6 causes of action, and the presently-pending motion seeks summary adjudication of only 3 causes of action.

- 5. The motion set for hearing before this Court on December 23, 1994 was originally filed in Los Angeles Superior Court, and set for hearing on August 31, 1994. Armstrong agreed to transfer the Los Angeles case to Marin so that the cases could be tried together only if that motion was taken off calendar, and reset for hearing before this Court.
- 6. Although Armstrong and his lawyer agreed to cooperate with plaintiff to ensure that the move to Marin did not delay the progress of the case, they delayed and refused to cooperate with plaintiff's efforts to ensure that the file was promptly transferred to this Court.
- 7. Armstrong's attorney, Ford Greene, has been requesting that plaintiff delay discovery and other matters in this action for more than two months because of a claimed pending trial in the case of Simon v. Chakpori Ling Foundation. Attached hereto as Exhibit D are true and correct copies of letters which Mr. Greene sent me requesting delays. Mr. Greene represented that his trial would begin on October 28, 1994. He also represented that he would keep me informed as to its progress. Based on those representations, I agreed, on behalf of my client, to delay discovery and substantive matters during the month of November. Neither of the representations, however, proved to be true. Mr. Greene was not in trial in November, and he did not tell me that

his trial had been delayed for a month.

- 8. On December 5, 1994, I called the clerk of Dept. 7, Sonoma County Superior Court. The <u>Simon</u> trial is ongoing in Department 7. The Department 7 clerk informed me of the following facts: (1) The trial is not in session every Thursday, as the judge hears other matters; (2) The trial is scheduled to last until February 1, 1995; and (3) The trial will be not in session on December 22, 23 and the entire week of December 26.
- 9. Mr. Greene's co-counsel, Paul Morantz, has represented Armstrong in this case since April 18, 1992. Mr. Morantz is extremely knowledgeable concerning the matters at issue in the summary adjudication motion: he has joined Mr. Greene on the papers in this case for almost three years; he wrote some or all of the briefs for the Court of Appeal on this issues of the validity of the contract in question; and he appeared numerous times on Armstrong's behalf in motion practice before the Superior Court, including on demurrers and other significant motions; and he argued, with Mr. Greene, Armstrong's appeal to the 1st District.
- 10. Michael Flynn was Armstrong's attorney at the time Armstrong signed the contract at issue in this case. Armstrong contends that Flynn "coerced" him, at plaintiff's behest, into signing the contract. He made this identical argument to the Court of Appeal earlier this year. The Court of Appeal upheld Judge Sohigian's finding that "Armstrong voluntarily entered the settlement agreement for which he received substantial compensation. . . " A true and correct copy of that decision is attached hereto as Exhibit E.

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Armstrong repeated the argument to the Los Angeles Superior Court in opposing plaintiff's motion for summary judgment of his cross-claim. In granting plaintiff's motion, the Court said, "The Agreement terms are clear and unambiguous. [Armstrong] understood the terms and signed it. The duties and obligations of the Agreement are clearly stated. 'Mutuality' and 'reciprocal' duties cannot be read into the unambiguous terms of the Agreement." A true and correct copy of this order is attached hereto as Exhibit F.

- 12. On November 18, 1994, Mr. Greene sent me a letter requesting a continuance of the hearing on plaintiff's presentlypending motion for summary adjudication in which he contended that he needed to take Flynn's deposition on "the issue of whether or not my client consented to the signing of the settlement contract" in order to oppose plaintiff's motion. A true and correct copy of Mr. Greene's letter is attached hereto as Exhibit G.
- In April 1992, I issued a subpoena for Mr. Flynn's deposition, and scheduled it to take place in southern California. Mssrs. Greene and Morantz, by ex parte application, successfully prevented that deposition from going forward. A true and correct copy of the ex parte application which they filed is attached hereto as Exhibit H.

Executed this 6th day of December, 1994 at Los Angeles, California.

FORD GREENE

HUB LAW OFFICES
THE SEARCES DEAKE BOULEVARD
SAN ANSELMO. CALIFORNIA 94960-1949

(415) 268-0360

LICENSE No. 107601 FACSIMILE (415) 456-5318

November 30, 1994

Laurie J. Bartilson BOWLES & MOXON 6255 Sunset Boulevard, Suite 2000 Los Angeles, CA 90028

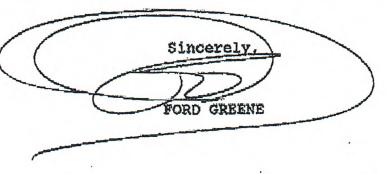
By Telecopier 213-953-3351

RE: Scientology v. Armstrong Marin County Superior Court Case No. 157 680

Dear Laurie:

I am in the process of jury selection in <u>Simon</u>. I renew my request to continue the hearing date on your 437c motion.

If you do not cooperate, I will appear at 9:30 a.m. on December 1st, 1994, before Judge Thomas to seek the appropriate ex parte relief.



:acg cc: Andrew H. Wilson (by fax)

### **BOWLES & MOXON**

ATTORNEYS AT LAW
6255 SUNSET BOULEVARD
SUITE 2000
HOLLYWOOD, CALIFORNIA 90028

TIMOTHY BOWLES \*
KENDRICK L. MOXON #
LAURIE J. BARTILSON †
HELENA K. KOBRIN ‡

(213) 463-4395 TELECOPIER (213) 953-3351  ALSO ADMITTED IN OREGON
 ALSO ADMITTED IN THE DISTRICT OF COLUMBIA
 ALSO ADMITTED IN MASSACHUSETTS
 ALSO ADMITTED IN FLORIDA

November 30, 1994
BY TELEFAX AND U.S. MAIL

Ford Greene, Esq. Hub Law Offices 711 Sir Francis Drake Blvd. San Anselmo, California 94960-1949

Re: Church of Scientology International v. Gerald Armstrong
LASC BC 052395

Dear Ford:

Thank you for your letter of today's date. I am unable to respond to your request, however, unless you provide me with a date to which you would like to continue the hearing on plaintiff's motion for summary adjudication.

Kindly inform me promptly as to the length of the continuance you are seeking. It is possible that the parties will then be able to stipulate to a date that is satisfactory to all.

Additionally, I cannot tell from your letter what ex parte relief it is that you intend to seek. I remind you that if you do intend to go in ex parte, you are required to provide me with adequate notice of the specific relief you are seeking.

In any case, please advise me immediately as to the length of continuance that you are requesting. Plaintiff is of course willing to stipulate to a brief continuance, if necessary, while you are in trial.

Sincerely,

BOWLES & MOXON

Laurie J. Bartilson

LJB: aeu

cc: Andrew H. Wilson, Esq.

Michael Lee Hertzberg, Esq.

Paul Morantz, Esq. Michael Walton, Esq.

HUB LAW OFFICES

71) SIE FEANCIS DEAKE BOULEYARD SAN ANSELMO, CALIFOENIA 94960-1949 (415) 258-0360 LICENSE No. 107601 FACBIMILE (415) 456-5318

December 5, 1994

Laurie J. Bartilson BOWLES & MOXON 6255 Sunset Boulevard, Suite 2000 Los Angeles, CA 90028

By Telecopier 213-953-3351

RE: Scientology v. Armstrong Marin County Superior Court

Case No. 157 680

Dear Laurie:

The trial in <u>Simon</u> is proceeding and has been calendared to last through January. Thus, I propose February 24, 1995 as the date for the 437c hearing.

In anticipation of your rejection of this proposal, please be advised that I will seek an ex parte order on December 8th at 9:30 a.m. before Judge Thomas continuing the hearing on the basis that I am in a lengthy and on-going trial in Sonoma County.

Sincerely,
FORD GREENE

:acg

cc: Andrew H. Wilson

FORD GREENE 1.AUPPED

# HUB LAW OFFICES TII SIE PEANCIS DEAKE BOULEVARD

SAN ANSELMO, CALIFORNIA 94960-1949 (415) 268-0360

LICENSE No. 107601 FACSIMILE (415) 456-5318

November 30, 1994

Laurie J. Bartilson BOWLES & MOXON 6255 Sunset Boulevard, Suite 2000 Los Angeles, CA 90028

By Telecopier 213-953-3351

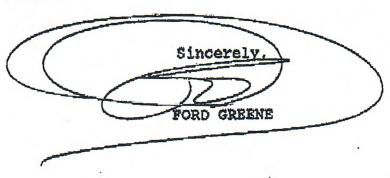
Scientology v. Armstrong Marin County Superior Court

Case No. 157 680

## Dear Laurie:

I am in the process of jury selection in Simon. I renew my request to continue the hearing date on your 437c motion.

If you do not cooperate, I will appear at 9:30 a.m. on December 1st, 1994, before Judge Thomas to seek the appropriate ex parte relief.



: 300 cc: Andrew H. Wilson (by fax) FORD GREENE

HUB LAW OFFICES
711 SIR FRANCIS DRAKE BOULEVARD
SAN ANSELMO, CALIFORNIA 94960-1949
(415) 258-0360

LICENSE No. 107601 FACSIMILE (415) 456-5318

November 18, 1994

Laurie J. Bartilson BOWLES & MOXON 6255 Sunset Boulevard, Suite 2000 Los Angeles, CA 90028 By Telecopier 213-953-3351

RE: Scientology v. Armstrong
Marin County Superior Court
Case No. 157 680

Dear Laurie:

Yesterday my office received personal service of the motion for summary adjudication that you have set for December 23, 1994 at 9:00 a.m. As you know, I will be in trial all of that month. Thus, I am requesting your cooperation to reset the hearing so that I can have a reasonable opportunity to oppose the same. In addition, I want to take the deposition of Michael Flynn before the hearing because his testimony is central to the issue of whether or not my client consented to the signing of the settlement contract.

As to the deposition of Lawrence Wollersheim, I would like his deposition to proceed sometime after the first of the year (as you and I previously discussed) because I am unable to handle a trip to Colorado and being in trial at the same time. I have the same scheduling difficulties with respect to Ed Roberts and Denise Cantin and request the same consideration.

I look forward to hearing from you.

FORD GREENE

Sincerely

acg

# HUB LAW OFFICES

711 SIR FRANCIS DRAKE BOULEVARD
SAN ANSELMO, CALIFORNIA 94960-1949

(415) 258-0360

LICENSE No. 107601 FACSIMILE (415) 456-5318

November 8, 1994

Laurie J. Bartilson BOWLES & MOXON 6255 Sunset Boulevard, Suite 2000 Los Angeles, California 90028

By Telecopier 213.953.3351

RE: Church of Scientology International v. Armstrong
Los Angeles Superior Court

Case No. BC 052 395

Dear Laurie:

Yesterday afternoon I received a message from you on my answering machine asking me to call you because there were some depositions that you wanted to set and you wanted to meet and confer with me regarding convenient dates. I returned your call, but was told that you had gone to the law library. Later in the afternoon, my office was personally served with a notice of deposition in Colorado for Lawrence Wollersheim for November 17th.

My trial in <u>Simon</u> starts on November 28th (Judge Watters having changed it). There is no way that I can or will go to Colorado on this short notice which violates the spirit, if not the letter, of our prior agreement that was designed not to have discovery in <u>Armstrong</u> interfere with my trial preparation in <u>Simon</u>. Furthermore, it is my understanding that Mr. Wollersheim is not available at any rate until after the 1st of the year which is the time period that you and I previously agreed would be when the Colorado depositions would proceed.

Please withdraw your notice for Mr. Wollersheim's deposition. Otherwise, I will have to seek a protective order and sanctions. This abrupt change in attitude is strange and disconcerting. What gives?

Sincerely

FORD GREENE

:acg

cc: Andrew H. Wilson
Michael L. Hertzberg
Michael Walton

HUB LAW OFFICES

711 SIR FRANCIS DRAKE BOULEVARD SAN ANSELMO, CALIFORNIA 94960-1949 (415) 258-0360

LICENSE No. 107601 Pagginile (415) 456-5318

October 5, 1994

Laurie J. Bartilson BOWLES & MOXON 6255 Sunset Boulevard, Suite 2000 Los Angeles, California 90028

By Telecopier 213.953.3351

RE: Church of Scientology International v. Armstrong Los Angeles Superior Court Case No. BC 052 395

#### Dear Laurie:

In response to your letter dated September 30, 1994, and further to our telephone conversation of October 3rd, I confirm the following:

- Spanky Taylor's deposition commenced today at 10:00 a.m.
- Vaughn Young's deposition will commence in Corona Del Mar on October 7, 1994 at 10:00 a.m.
- 3. Stacy Young's deposition will commence on October 18, 1994 at Andrew Wilson's office and each side will evenly split the costs of her round trip transportation from Seattle to San Francisco.
- 4. Gerald Armstrong's deposition shall commence on October 18th or 19th depending on the completion time of Stacy's deposition.
- 5. Jury selection in <u>Simon</u> will commence on October 28th with testimony anticipated to start on November 7th. No further depositions will be scheduled until trial is completed or the case is settled.

Sincerely

FORD GREENE

:acq

cc: Vaughn Young Stacey Young

#### HUB LAW OFFICES

711 SIR FRANCIS DRAKE BOULEYARD
SAN ANSELMO, CALIFORNIA 94960-1949
(415) 258-0360

LICENSE No. 107601 FACSIMILE (415) 456-5318

September 28, 1994

Laurie J. Bartilson BOWLES & MOXON 6255 Sunset Boulevard, Suite 2000 Los Angeles, California 90028 <u>By Telecopier</u> 213.993.4414

RE: Church of Scientology International v. Armstrong Los Angeles Superior Court Case No. BC 052 395

Dear Laurie:

This letter will confirm our telephone conversations of September 23, 1994 and September 26, 1994 regarding the scheduling of depositions in the above case.

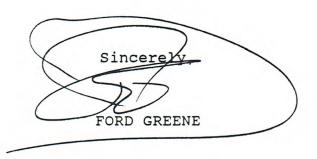
On September 23 you advised me that your top priority was to finish the deposition of Gerald Armstrong and take and complete the depositions of Sylvia Taylor, Vaughn Young and Stacey Young. Ms. Taylor's deposition is set for 10:00 a.m. on October 5th and Vaughn Young's is set for 10:00 a.m. on October 7, 1994 at your offices in Los Angeles.

I advised you that I have a trial in <u>Simon v. Chakpori Ling Foundation</u>, Sonoma County Superior Court No. 175898 that will start on October 28, 1994 (the five-year statute is close to having expired) and that I did not want to get bogged down in a lot of Armstrong discovery during the time when I am preparing for trial. Thus, I wanted you to be prepared to commence Mr. Young's deposition on October 6th so that I would not waste a day sitting around in Los Angeles. I also told you that I would check with Mrs. Young regarding her deposition which must occur in the State of Washington. We both agreed to defer proceeding with the other depositions in Colorado and the United Kingdom until a later time.

On September 26, 1994, you and I spoke again on these matters and reiterated the above considerations. You advised me that you had to check with your client regarding changing Mr. Young's deposition to October 6th. I also asked you whether or not your client would be willing to pay one-half the cost to fly Mrs. Young to San Francisco, avoiding the requirement that we all have to travel to Seattle. You advised me that after checking with your clients, you would get back to me. Finally, we

Laurie J. Bartilson September 28, 1994 Page 2.

discussed the completion of Gerald's deposition which you estimated would involve one more day. After reviewing what you wanted, I told you that I would be inclined to cooperate in proceeding with four days of depositions in October if I had your agreement in writing that no other depositions would be scheduled in <u>Armstrong</u> until the completion of my trial in <u>Simon</u>.



:acg

cc: Andrew H. Wilson
Toby Plevin (by fax)
Vaughn Young (by fax)
Paul Morantz (by fax)

FORD GREENE

# HUB LAW OFFICES 711 SIR FRANCIS DRAKE BOULEVARD SAN ANSELMO, CALIFORNIA 94960-1949

(415) 258-0360

LICENSE No. 107801 FACSIMILE (415) 458-5318

September 20, 1994

Laurie J. Bartilson BOWLES & MOXON 6255 Sunset Boulevard, Suite 2000 Los Angeles, California 90028

By Telecopier 213.993.4414

RE: Church of Scientology International v. Armstrong
Los Angeles Superior Court

Case No. BC 052 395

Dear Laurie:

In response to your letter dated September 19, 1994, I have a problem with respect to the proposed dates. That is, I am set to commence a four to six week trial on October 28, 1994. In light of the fact that it is a five-year case that has been specially assigned for trial, it will go. Thus, the times that you have proposed clash with the time I need for preparation. In light of the fact that the trial date has now been continued, I would like to forebear from proceeding with the out of state depositions until after my trial.

Please advise me of your willingness to do this.

As to Denise Cantin, I confirm that I will produce her.

Sincerely

FORD GREENE

:acg

cc: Andrew H. Wilson Michael Lee Hertzberg

# HUB LAW OFFICES 711 SIR FRANCIS DRAKE BOULEVARD SAN ANSELMO, CALIFORNIA 94960-1949 (415) 258-0360

LICENSE No. 107501 FACSIMILE (415) 456-5318

August 17, 1994

Andrew H. Wilson WILSON, RYAN & CAMPILONGO 235 Montgomery Street, Suite 450 San Francisco, California 94104 By Telecopier 415-954-0938

RE: Scientology v. Armstrong
- Marin County Superior Court
Case No. 157 680

Dear Mr. Wilson:

In response to your letter dated August 17, 1994, I disagree that "we have not decided whether or not the summary judgment motion scheduled for August 31 will be heard before the motion to transfer is filed." My position has been and is that if the Los Angeles case is to be brought to Marin, that must occur as soon as possible and not after the summary judgment motion scheduled for August 31 is heard. Otherwise, it is my intention to proceed with the trial in the Marin Action as scheduled. Also, for the record, you and I have been discussing the transfer since at least Wednesday, August 10, and contemplating that the August 31 summary judgment hearing was not going to proceed.

In a separate but related matter, as to Gerald's deposition tomorrow, please remember that I will not proceed if the Court Reporter is Atkinson & Baker.

FORD

GREENE

: acg

cc: Laurie J. Bartilson Michael Hertzberg

TOTAL P.03

08-18-94 05:35PM P003 #43

# IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA SECOND APPELLATE DISTRICT DIVISION FOUR

CHURCH OF SCIENTOLOGY INTERNATIONAL, )	No. B069450
Plaintiff and Respondent,	(Super.Ct.No. BC052395)
v. )	
GERALD ARMSTRONG,	COURT OF ASSAULT SECOND SAIL.
Defendant and Appellant. )	
	Tour

APPEAL from an order of the Superior Court of Los Angeles County, Ronald M. Sohigian, Judge. Affirmed.

Ford Greene and Paul Morantz for Defendant and Appellant.

Bowles & Moxon, Karen D. Holly, Wilson, Ryan & Campilongo, Andrew H. Wilson, Rabinowitz, Boudin, Standard, Krinsky & Lieberman, Eric M. Lieberman, and Michael Lee Hertzberg for Plaintiff and Respondent.

Defendant and appellant Gerald Armstrong (Armstrong) appeals from an order granting a preliminary injunction restraining Armstrong from voluntarily giving assistance to other persons litigating or intending to litigate claims against plaintiff and respondent Church of Scientology International (Church).

The injunction was granted to enforce a settlement agreement in prior litigation between Armstrong and Church. In the settlement, Armstrong agreed he would not voluntarily assist other persons in proceedings against Church.

Armstrong does not deny violating his agreement but asserts numerous reasons why his agreement should not be enforceable. We conclude that the narrowly-limited preliminary injunction, which did not finally adjudicate the merits of Armstrong's claims, was not an abuse of the trial court's discretion to make orders maintaining the status quo and preventing irreparable harm pending the ultimate resolution of the merits.

#### FACTUAL AND PROCEDURAL BACKGROUND

Armstrong was a member of Church between 1969 and 1981. He became an insider of high rank, familiar with Church practices and documents. He became disillusioned and left Church in 1981. When he left, he took many Church documents with him.

#### The Prior Action and Settlement

Church brought the prior action against Armstrong seeking return of the documents, injunctive relief against further dissemination of information contained in them, and imposition of a constructive trust. Mary Sue Hubbard, wife of Church founder L. Ron Hubbard, intervened asserting various torts against Armstrong. Armstrong filed a cross-complaint seeking damages for fraud, intentional infliction of emotional distress, libel, breach of contract, and tortious interference with contract.

Church's complaint and Hubbard's complaint in intervention were tried in 1984 by Judge Breckenridge. That trial led to a judgment, eventually affirmed on appeal, holding Armstrong's conversion of the documents was justified because he believed the conversion necessary to protect himself from Church's claims that he had lied about Church matters and L. Ron Hubbard. (Church of Scientology v. Armstrong (1991) 232 Cal.App.3d 1060, 1063, 1073.)

Armstrong's cross-complaint in that case was settled in December 1986 by the settlement agreement which is the subject of the injunction in the present case.

In the settlement agreement, the parties mutually released each other from all claims, except the then-pending appeal of Judge Breckenridge's decision on Church's complaint, which was expressly excluded. The settlement involved a number

#### The Present Action

In February 1992, Church filed a complaint in the present action alleging Armstrong's violation of the settlement agreement and seeking damages and injunctive relief.

In support of its motion for a preliminary injunction, Church presented evidence that since June 1991 Armstrong had violated the agreement by working as a paralegal for attorneys representing clients engaged in litigation against Church and by voluntarily and gratuitously providing evidence for such litigation. Armstrong worked as a paralegal for Attorney Joseph Yanny, who represented Richard and Vicki Aznaran in a multimillion dollar suit against Church in federal court. Armstrong also voluntarily provided declarations for use in the Aznarans' case. Armstrong thereafter worked for Attorney Ford Greene on the Aznaran and other Church related matters.

Armstrong did not deny the charged conduct but asserted the settlement agreement was not enforceable for various reasons, primarily that it was against public policy and that he signed it under duress.

The Trial Court's Preliminary Injunction

The trial court granted a limited preliminary injunction, with exceptions which addressed Armstrong's

of persons engaged in litigation against Church, all represented by Attorney Michael Flynn. As a result of the settlement, Armstrong was paid \$800,000. Armstrong's cross-complaint was dismissed with prejudice, as agreed, on December 11, 1986.

The portions of the settlement agreement most pertinent to this appeal are paragraphs 7-G, 7-H, and 10, in which Armstrong agreed not to voluntarily assist other persons intending to engage in litigation or other activities adverse to Church.  $\frac{1}{2}$ 

<sup>&</sup>quot;G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology. H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be [¶] . . . 10. Plaintiff agrees that he will not disclosed. assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement."

Paragraph 20 of the agreement authorizes its enforcement by injunction.

argument that the settlement agreement violated public policy by requiring suppression of evidence in judicial proceedings.

The court found that Armstrong voluntarily entered the settlement agreement for which he received substantial compensation, and that Armstrong was unlikely to prevail on his duress claim. The court found that Armstrong could contract as part of the settlement to refrain from exercising various rights which he would otherwise have. Balancing the interim harms to the parties, the court found that to the extent of the limited acts covered by the preliminary injunction, Church would suffer irreparable harm which could not be compensated by monetary damages, and harm for which monetary damages would be difficult to calculate. (Code Civ. Proc., § 526, subds. (a)(2), (a)(4), (a)(5).)

The court's order provides, in pertinent part:

"Application for preliminary injunction is granted in part, in the following respects only. [¶] Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following: [¶]

Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons

referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it. [¶] Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986."

The court provided the following exceptions to address Armstrong's public policy arguments: "The court does not intend by the foregoing to prohibit defendant Armstrong from:

(a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order."

/

#### DISCUSSION

The grant of a preliminary injunction does not adjudicate the ultimate rights in controversy between the parties. It merely determines that the court, balancing the relative equities of the parties, concludes that, pending a trial on the merits, the defendant should be restrained from exercising the right claimed. The purpose of the injunction is to preserve the status quo until a final determination of the merits of the action. (Continental Baking Co. v. Katz (1968) 68 Cal.2d 512, 528.)

The court considers two interrelated factors. The first is the likelihood the plaintiff will prevail at trial. The second is the interim harm the plaintiff is likely to sustain if the injunction is denied, as compared to the harm the defendant is likely to suffer if the injunction is granted. (Cohen v. Board of Supervisors (1985) 40 Cal.3d 277, 286.)

The decision to grant or deny a preliminary injunction rests in the discretion of the trial court. Accordingly, an appellate court's review on appeal from the granting of a preliminary injunction is very limited. The burden is on the appellant to make a clear showing that the trial court abused its discretion. (IT Corp. v. County of Imperial (1983) 35 Cal.3d 63, 69; Nutro Products, Inc. v. Cole Grain Co. (1992) 3

Cal.App.4th 860, 865.) Abuse of discretion means the trial court has exceeded the bounds of reason or contravened the uncontradicted evidence. (IT Corp. v. County of Imperial, supra, 35 Cal.3d at p. 69.)

Here, the trial court's memorandum decision reflects very careful consideration of the factors relevant to the granting of a preliminary injunction. The court weighed the relative harms to the parties and balanced the interests asserted by Armstrong. The court granted a limited preliminary injunction with exclusions protecting the countervailing interests asserted by Armstrong. We find no abuse of discretion. We cannot say that the trial court erred as a matter of law in weighing the hardships or in determining there is a reasonable probability Church would ultimately prevail to the limited extent reflected by the terms of the preliminary injunction.

Although Armstrong's "freedom of speech" is affected, it is clear that a party may voluntarily by contract agree to limit his freedom of speech. (See <u>In re Steinberg</u> (1983) 148 Cal.App.3d 14, 18-20 [filmmaker agreed to prior restraint on distribution of film]; <u>ITT Telecom Products Corp.</u> v. <u>Dooley</u> (1989) 214 Cal.App.3d 307, 319 [employee's agreement not to disclose confidential information; "it is possible to waive even First Amendment free speech rights by contract"]; <u>Snepp</u> v. <u>United States</u> (1980) 444 U.S. 507, 509, fn. 3 [book by CIA

employee subject to prepublication clearance by terms of his
employment contract].)

The exceptions in the trial court's injunction assured that the injunction would <u>not</u> serve to suppress evidence in legal proceedings. The injunction expressly did not restrain Armstrong from accepting service of subpenas, testifying fully and fairly in legal proceedings, and reporting criminal conduct to the authorities. (See <u>Philippine Export & Foreign Loan Guarantee Corp. v. Chuidian (1990) 218 Cal.App.3d 1058, 1081-1082.) This contrasts with the stipulation in <u>Mary R. v. B. & R. Corp. (1983) 149 Cal.App.3d 308, 315-316, cited by Armstrong, which prevented a party from disclosing misconduct to regulatory authorities.</u></u>

This appeal is only from the granting of a preliminary injunction which expressly did not decide the ultimate merits. As limited by the trial court here, the preliminary injunction merely restrains, for the time being, Armstrong's voluntary intermeddling in other litigation against Church, in violation of his own agreement. We decline any extended discussion of Armstrong's shotgun-style brief, which offers more than a dozen separate contentions against enforcement. It suffices to say that Armstrong has not borne his burden on appeal to demonstrate a clear abuse of discretion.

## DISPOSITION

The order granting a preliminary injunction is affirmed.

NOT TO BE PUBLISHED

VOGEL (C.S.), Acting P.J.

We concur:

HASTINGS, J.

KLEIN (Brett), J.\*

<sup>\*</sup>Assigned by the Chairperson of the Judicial Council.

# OFFICE OF THE CLERK COURT OF APPEAD STATE OF CALIFOR A

SECOND APPELLATE DISTRICT
JOSEPH A. LANE, CLERK

DIVISION: 4 DATE: 05/16/94

Bowles & Moxon Laurie J. Bartilson 6255 Sunset Blvd Suite 2000 Hollywood, CA. 90028

RE: Church of Scientology International vs.
Armstrong, Gerald
2 Civil B069450
Los Angeles NO. BC052395

# SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Date: August 16, 1994

Honorable DAVID

DAVID A. HOROWITZ

, Judge , Deputy Sheriff S. ROBLES

, Deputy Clerk , Reporter

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C. AGUIRRE

, C.S.L.

LINDA NISHIMOTO #9147

, Reporter , E/R Monitor

BC052395

(Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC

Counsel for Plaintiff

MICHAEL LEE HERTZBERG (x)
LAURIE J. BARTILSON (x)

VS

GERALD ARMSTRONG, ET AL

Counsel for Defendant FORD GREENE (x)

NO LEGAL FILE

NATURE OF PROCEEDINGS:

MOTION BY CROSS-DEFENDANT, CHURCH OF SCIENTOLOGY INTERNATIONAL, FOR SUMMARY ADJUDICATION OF THE SECOND AND THIRD CAUSES OF ACTION OF THE CROSS-COMPLAINT;

Motion for Summary Adjudication of a Cause of Action (SACA) GRANTED. No triable issues of material facts. The 2nd and 3rd Causes of Action have no merit.  $\underline{CCP}$  437c(f)(1).

3rd Cause of Action - Breach of Contract.

Undisputed Facts: #1-9, essentially Undisputed, Cross-Defendant has accurately described the provisions of the Agreement; #10, not sufficiently disputed, Undisputed; #11, Undisputed; #12, no sufficiently disputed, Undisputed; #13, Undisputed; #14, Undisputed; #15, not sufficiently disputed, Undisputed; #16, Undisputed.

The Agreement terms are clear and unambiguous. Cross-Complainant understood the terms and signed it. The duties and obligations of the Agreement are clearly stated. "Mutuality" and "reciprocal" duties

cannot be read into the unambiguous terms of the Agreement.

There are no provisions in the Agreement prohibiting the Cross-Defendant from referring to Cross-Complainant with the press or in legal pleadings or declarations. Cross-Complainant's beliefs as to what the Agreement should have said, it's validity, or what his attorney said or did to him are not relevant. The Agreement itself acknowledges that no agreements or understandings have been made among the parties aside from those set forth in the Agreement.

2nd Cause of Action - Abuse of Process.

Undisputed Facts: #17, not sufficiently disputed, Undisputed; #18, not sufficiently disputed, Undisputed; #19, Disputed; #20, Disputed, not material; #21, not sufficiently disputed, Undisputed; #22, Undisputed; #23, Disputed as to time discovered by Church counsel; #24,

Page 1 of 3 Pages

# SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Date: August 16, 1994

Honorable DAVID A. HOROWITZ , Judge S. ROBLES , Deputy Clerk , Deputy Sheriff LINDA NISHIMOTO #9147 , Reporter 2a C. AGUIRRE , C.S.L. , ER Monitor

BC052395 (Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC Counsel for MICHAEL LEE HERTZBERG (X)

Plaintiff LAURIE J. BARTILSON (x)

VS

GERALD ARMSTRONG, ET AL Counsel for FORD GREENE (x)

NO LEGAL FILE

#### NATURE OF PROCEEDINGS:

disputed as to motivation, otherwise Undisputed; #25, not sufficiently disputed, Undisputed; #26, Undisputed; #27, disputed as to word "further", otherwise Undisputed; #28, Disputed, but not material; #29, Undisputed; #30, Undisputed that Marin Court granted a motion to Transfer; #31, Undisputed, except for term "irreparably harmed; #32, Undisputed; #33, Undisputed; #34, not sufficiently disputed, Undisputed; #35, Undisputed.

A One Year Statute of Limitations applies to an Abuse of Process cause of action. Code of Civil Procedure Section 340. Conduct allegedly occurring prior to July 22, 1991 is precluded by the one year Statute. Conduct alleged in paragraphs 13-24, 26 and 27, 29 and 30, 33-38, 40, 43-48 and para 57 are alleged to have occurred before 7/22/91 and are time barred.

The alleged conduct constituting "abuse of process" contained in paragraphs 49, 51, 52 and 55 does not constitute such abuse of process. That is, there are no allegations concerning the abuse of court process which constitutes a cause of action.

Communications with "some relation" to judicial proceedings have been absolutely immune from tort liability by the privilege codified as section 47(b). Albertson v. Raboff.

The alleged conduct of bringing suit, contained in paragraphs 53 and 54, is not sufficient to state a cause of action for "abuse of process. The filing or maintaining of a lawsuit cannot support a claims for abuse of process. The filing of a suit to enforce the Settlement Agreement cannot support claims for abuse of process.

The conduct alleged in para 50, ie, the filing of a complaint and the use of a declaration speaking of Cross-Complainant, does not constitute abuse of process and is privileged.

Paragraph 52 alleged conduct relating to declarations filed in a case in which the Cross-Complainant is not a party. Such conduct does not constitute abuse of process and is privileged.

Page 2 of 3 Pages

# SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Date: August 16, 1994

Honorable DA

DAVID A. HOROWITZ

, Judge , Deputy Sheriff S. ROBLES

, Deputy Clerk , Reporter

2b

C. AGUIRRE

, C.S.L.

LINDA NISHIMOTO #9147

, E/R Monitor

BC052395

(Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC

Counsel for Plaintiff MICHAEL LEE HERTZBERG (x)

LAURIE J. BARTILSON (x)

VS

GERALD ARMSTRONG, ET AL

Counsel for Defendant FORD GREENE (x)

NO LEGAL FILE

#### NATURE OF PROCEEDINGS:

MOTION FOR SUMMARY ADJUDICATION OF SECOND AND THIRD CAUSES OF ACTION OF THE CROSS-COMPLAINT OF GERALD ARMSTRONG, GRANTED.

David A. Horowitz

#### DAVID A. HOROWITZ, JUDGE

This is the order called for by Code of Civil Procedure Section 437c(f) and Code of Civil Procedure Section 437c(g). No other written order is required.

A copy of this order is sent this date via U.S. Mail addressed as follows:

MICHAEL LEE HERTZBERG ATTORNEY AT LAW 740 BROADWAY 5TH FL NEW YORK NY 10003

LAURIE J. BARTILSON BOWLES & MOXON 6255 SUNSET BLVD STE 2000 HOLLYWOOD CA 90028

FORD GREENE HUB LAW OFFICES 711 SIR FRANCIS DRAKE BLVD SAN ANSELMO CA 94960

Page 3 of 3 Pages

# **EXHIBIL** C

FORD GREENE

HUB LAW OFFICES
711 SIE FRANCIS DRAKE BOULEVARD

731 SIR FRANCIS DRAKE BOULEVARD SAN ANSELMO, CALIFORNIA 94960-1949 (415) 258-0360 LICENSE No. 107601 Facsimile (415) 456-5318

November 18, 1994

Laurie J. Bartilson BOWLES & MOXON 6255 Sunset Boulevard, Suite 2000 Los Angeles, CA 90028 By Telecopier 213-953-3351

RE: Scientology v. Armstrong
Marin County Superior Court
Case No. 157 680

Dear Laurie:

Yesterday my office received personal service of the motion for summary adjudication that you have set for December 23, 1994 at 9:00 a.m. As you know, I will be in trial all of that month. Thus, I am requesting your cooperation to reset the hearing so that I can have a reasonable opportunity to oppose the same. In addition, I want to take the deposition of Michael Flynn before the hearing because his testimony is central to the issue of whether or not my client consented to the signing of the settlement contract.

As to the deposition of Lawrence Wollersheim, I would like his deposition to proceed sometime after the first of the year (as you and I previously discussed) because I am unable to handle a trip to Colorado and being in trial at the same time. I have the same scheduling difficulties with respect to Ed Roberts and Denise Cantin and request the same consideration.

I look forward to hearing from you.

FORD GREENE

Sincerel

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HUB LAW OFFICES Ford Greene, Esquire California State Bar No. 107601 711 Sir Francis Drake Boulevard 3 San Anselmo, California 94960-1949 Telephone: (415) 258-0360 4 PAUL MORANTZ, ESQ. 5 P.O. Box 511 Pacific Palisades, CA 90272 6 (213) 459-47457 Attorney for Defendant GERALD ARMSTRONG 8 9 10 SUPERIOR COURT OF THE STATE OF CALIFORNIA 11 IN AND FOR THE COUNTY OF LOS ANGELES 12 13 CHURCH OF SCIENTOLOGY No. BC 052395 INTERNATIONAL, a California 14 not-for-profit religious 15 corporation; NOTICE OF MOTION AND MOTION TO QUASH DEPOSITION SUBPOSNA 16 Plaintiffs, FOR MICHAEL J. PLYNN; DECLARATION OF COUNSEL; 17 MEMORANDUM OF POINTS AND VS. AUTHORITIES IN SUPPORT THEREOF GERALD ARMSTRONG; DOES 1 Date: 6-4-92 through 25, inclusive, Time: 8:30 c.m. 19 Dept: 30 Defendants. 20 Trial Date: None Discovery Cut Off: None 21 TO ALL INTERESTED PARTIES AND THEIR ATTORNEYS OF RECORD: 22 PLEASE TAKE NOTICE that on the day of 23 1992, at 8:30 c.m. or as soon thereafter as the matter may be 24 heard in Department 30 of the above-entitled Court, Defendant 25 GERALD ARMSTRONG will move for an Order quashing the Deposition 26 Subpoena that was served on third-party witness Michael J. Flynn. 27 Further ARMSTRONG will seek an Order compelling plaintiff CHURCE 28

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PARI Greens, Exquire
711 Sir Prancis Dealer Bird.
San Amelino, CA 94050
(415) 258-0360

Page 1.

05-11-92 04:33PM P003 #23

OF SCIENTOLOGY INTERNATIONAL and its attorneys, Wilson, Ryan and Campilongo and Bowles and Moxon to pay monetary sanctions for requiring ARMSTRONG to bring the instant motion.

As to the motion to quash, this motion is brought pursuant to Code of Civil Procedure section 2025 (g) on the ground that notice of said deposition was served by mail and was less that required by Code of Civil Procedure sections 1013 (a) and 2025 (f).

As to the motion for sanctions, this motion is brought pursuant to Code of Civil procedure sections 2023 and 2025 (g).

This motion is based upon the instant Notice, the Declaration of Counsel submitted herewith and the Memorandum of Points and Authorities In Support filed herewith, and the court's files and records in this case.

DATED: May 11, 1992

PAUL MORANTZ FORD GREENE and

Attorneys for Defendant

GERALD ARMSTRONG

HUB LAW OFFICES ord Greene, Esquire Il Sir Francis Drake Rivd n Annelmo, CA 94960 (415) 258-0560

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HUB LAW OFFICES Ford Greene, Esquire 711 Sir Francis Drake Blvd. San Anedma CA 94960 (415) 258-0560

Page 1.

HUB LAW OFFICES Ford Greene, Esquire California State Bar No. 107601 711 Sir Francis Drake Boulevard San Anselmo, California 94960-1949 Telephone: (415) 258-0360 PAUL MORANTZ, ESQ. P.O. Box 511

Pacific Palisades, CA 90272 (213) 459-4745

Attorney for Defendant GERALD ARMSTRONG

# SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation;

Plaintiffs,

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

No. BC 052395

MENORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION TO QUASH DEPOSITION OF MICHAEL J. FLYNN

Date: Time: Dept:

Trial Date: None

Discovery Cut Off: None

#### I. INTRODUCTION

The motion to quash should be granted because plaintiff failed to comply with the statutory requirement that when a deposition notices is served by mail, 15 days notice is required.

On May 1, 1992, plaintiff served by mail its NOTICE OF TAKING THE DEPOSITION OF MICHAEL J. FLYNN; DEPOSITION SUBPENA (Exhibit A to Declaration of Counsel). Said Notice of Deposition purported

MOTION TO QUASE DEPOSITION SURPOSIA OF MUCHAEL J. FLYND

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Page 2.

to set the deposition of Michael J. Flynn on May 12, 1992, and failed to notice said deposition for an specific time.

On May 7, 1992, Defendant ARMSTRONG timely and personally served his NOTICE OF OBJECTIONS TO DEPOSITION OF MICHAEL J. FLYNN on the office of Andrew H. Wilson, attorney for plaintiff. (Exhibit B to Declaration of Counsel).

On May 8, 1992, Laurie J. Bartilson, attorney for Plaintiff, wrote defense counsel and stated "The deposition has been set for the date in question to accommodate the witness, and will not be continued. If you choose not to attend, it is of course at your own peril. (Exhibit C to Declaration of Counsel)

On May 11, 1992, defense counsel Greene telephoned plaintiff's counsel Laurie J. Bartilson in an effort to meet and confer regarding the scheduling of the deposition of Michael J. Flynn, left a message to that effect with her secretary and a requested that she return his telephone call. Ms. Bartilson did not do so.

#### LEGAL ARGUMENT

#### II. The Motion To Quash Should Be Granted; The Deposition Is Stayed Pending A Determination Thereon

It is elementary that when a deposition notice is served by mail, 15 days notice must be provided. (C.C.P. §§ 2025 (f), 1013 (a).) In the case of the notice of the Flynn deposition, 11 days notice was provided because the notice was served by mail on May 1 which noticed the deposition for May 12.

On May 7, pursuant to Code of Civil procedure section 2025 (g) defendant timely and personally served his notice of objections on plaintiff's counsel Wilson. Said objections were

MOTION TO QUASE DEPOSITION SURPOMEA OF MICHAEL J. FLYING

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HUB LAW OFFICES
Ford Greene, Esquise
711 Sår Francis Druke Had.
San Asselmo, CA 94960
(415) 258-0860

predicated upon two grounds: (1) the lack of adequate notice and (2) the failure to state a time in the notice of deposition.

Code of Civil Procedure section 2025 (g) specifically authorizes a party to bring a motion to quash a deposition on the ground that inadequate notice has been given as required by Code of Civil procedure sections 2025 (f) and 1013 (a). In such case "The taking of the deposition is stayed pending the determination of this motion." (C.C.P. § 2025 (g).)

# III. MONETARY SANCTIONS SHOULD BE AWARDED

C.C.P. sections 2023 and 2025 authorizes an award of monetary sanctions against any party or attorney who unsuccessfully makes or opposes a motion to quash a deposition notice.

In this case, defendant timely served his objections in response to which plaintiff's counsel Bartilson stated that the deposition would not be continued. Although defense counsel Greene telephoned Bartilson in an effort to develop an alternative to the instant motion, she chose not to return his call.

#### CONCLUSION

Based upon all of the foregoing, defendant ARMSTRONG respectfully submits that Court grant his motion to quash the Deposition Subpoena of Michael J. Flynn and Order the payment of reasonable monetary sanctions.

DATED: May 11, 1992

PAUL MORANTZ and FORD GREENE Attorneys for Defendant GERALD ARMSTRONG

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